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ART UNIT	PAPER NUMBER
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

PTOL-90A (Rev. 04/07)

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *04 February 2008*.

2a)☒ This action is **FINAL**.   2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-35* is/are pending in the application.

    4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-35* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a)☐ All   b)☐ Some * c)☐ None of:

      1.☐ Certified copies of the priority documents have been received.

      2.☐ Certified copies of the priority documents have been received in Application No. _____.

      3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1)☒ Notice of References Cited (PTO-892)

2)☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3)☐ Information Disclosure Statement(s) (PTO/SB/08)
    Paper No(s)/Mail Date _____.

4)☐ Interview Summary (PTO-413)
    Paper No(s)/Mail Date. _____.

5)☐ Notice of Informal Patent Application

6)☐ Other: _____.

DETAILED ACTION

Status of the Claims

1. This office action is in response to the amendments submitted by the applicants on 2/4/2008.

- Claim 36 is cancelled.

- Claims 1-35 are amended.

- Claims 1-35 are pending in the application.

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112:

> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

2. Claims 1-17 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

Regarding claim 1, although the examiner found support in

the specification for "In a second example the local

authorization flag may be set for the second pass. In this case

the system 500 will first try to remotely authorize the card.

If the remote processing bureau is unavailable or unable to

authorize the card then on the second pass the local

authorization routine will be invoked, the examiner could <u>not</u>

find support in the specification for "remotely authorize the

cashless payment transaction exceeding a <u>threshold number</u>."

Claims 2-17 are rejected because of their dependency to the

rejected claim.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which

forms the basis for all obviousness rejections set forth in this

Office action:

> (a) A patent may not be obtained though the invention is not identically
> disclosed or described as set forth in section 102 of this title, if the
> differences between the subject matter sought to be patented and the prior
> art are such that the subject matter as a whole would have been obvious at
> the time the invention was made to a person having ordinary skill in the
> art to which said subject matter pertains. Patentability shall not be
> negatived by the manner in which the invention was made.

3.   Claims 1-33 are rejected under 35 U.S.C. 103(a) as

being unpatentable over Teicher (U.S. Patent No. 5,728,999) in

view of Levasseur (U.S. Patent No. 6,427,912).

Re claim 1, 5, 6: Teicher discloses:

a) obtaining at an audit-credit-interactive system a plurality of card identification data-("The card payment unit 103 comprises a card interface 1012…customer interface 1013…for allowing the customer to add information, such as a personal identification number…"-see col. 13 lines 5-41;

b, c, d) performing a first attempt at a remote transaction authorization for the cashless payment transaction; selectively performing either another attempt at the remote transaction authorization for the cashless payment transaction; or a local transaction authorization test for the cashless payment transaction responsive to a number of previously unsuccessful attempts to remotely authorize the cashless payment transaction; and authorizing a vending transaction responsive to the local transaction authorization test- ("the card payment unit operates with a combo smart card and includes a transaction selector which selects whether to charge the customer from the electronic purse [local transaction authorization] or his remote bank or credit account via the electronic checkbook, [remote transaction authorization] or whether to replenish the electronic purse via the electronic checkbook before charging the electronic purse…")-see col. 3 in particular, lines 10-15; col. 4 lines 13-18, and line 66 to col. 5 line 6; and ("Alternatively, an off-line validity check may be allowed…In 1047 $SUM is compared to

$MINCT to determine whether a checkbook payment is feasible. If

the answer is positive then…$SUM is compared with $BALANCE to

determine whether a purse transaction is feasible as well…If the

answer in 1047 is negative, i.e. the payment has been found

unfeasible for checkbook payment[remote authorization], it is

checked for purse payment [local authorization] feasibility as

indicated in block 1051.")-see col. 14 line 20 to col. 15.

   Also, see figs. 1,10A-11C and related text.

    Teicher discloses a system capable of determining when to

locally or remotely authorize a transaction based on variables

such as payment sum, balance in the electronic purse, and the

spending limit allowed in the electronic checkbook. Teicher

further teaches if the payment has been found to be unfeasible

for checkbook payment [remote authorization], it is checked if

the purse payment is feasible [local authorization] -see col. 15

lines 1-7. Teicher does not specifically disclose performing

local authorization test responsive to a number of unsuccessful

attempts at remote authorization exceeding a threshold number.

Levasseur however, teaches a system and method operable to use a

credit card to complete vending transactions. Levasseur further

teaches ("The system may also be constructed or programmed to

limit the number of transactions that are authorized for a given

credit card at a given point of sale location during specified

time periods.")-see col. 2 in particular lines 55-59; col. 5
lines 43-64. It would have been obvious to one having ordinary
skill in the art at the time the invention was made to modify
Teicher to specifically include limiting the number of remote
authorization attempts e.g. credit card authorization attempts,
as taught by Levasseur in order to protect the merchant and
customer against fraudulent use of the system.

    Re claims 2, 15: Teicher discloses:

  performing a card validity test on said plurality of card
identification data -see col.3, lines 25-56;

    Teicher does not specifically disclose performing a card
usage frequency limit test; performing a test of said plurality
of card identification data against a plurality of local
databases and updating said plurality of local databases .
Levasseur however, teaches ("The system may also be so
constructed or programmed to be operable to limit the number of
transactions…limit the number of authorized transactions…")-see
col. 2 lines 55-67. Levasseur further teaches ("the system can
check a credit card account number against a <u>listing </u>of
previously approved card numbers to identify 'preferred'
customers…programming that compares a credit card account number
to an <u>off-line list</u> of 'hot' card numbers before allowing a

transaction. The system can also provide…for <u>updating</u> of a
'hot' card list…")-see col. 3 lines 6-17. Further it is obvious
that the "listings" referred to by Levasseur is a database
because the list is accessed by the system and stored in
computer memory-see Fig.1 (41). Therefore, it is obvious that
the electronic "list" is a database.   It would have been
obvious to one having ordinary skill in the art at the time the
invention was made to modify Teicher to specifically include
limiting the number of transactions and checking a credit card
account number against a listing of previously approved card
numbers as taught by Levasseur in order to protect the merchant
and customer against fraudulent use of the system.

   Re claims 3,4: Teicher discloses:

   determining a current authorization attempt, wherein said
current authorization attempt is a current iteration of an
authorization routine;

   comparing said current authorization attempt to a local
authorization routine entry counter; attempting the remote
transaction authorization if the current authorization attempt
does not equal the local authorization routine entry counter;

   wherein comparing said current authorization attempt to a
local authorization routine entry counter further comprises:
setting a local authorization flag to invoke entry into said

local authorization routine when said current authorization
attempt is equal to said local authorization routine entry
counter; or initiating communication with a remote location to
obtain authorization for said cashless payment transaction.

The applicant discloses the following on pg. 79 of the
specification: "In an exemplary embodiment system 500 can be
programmed to locally authorize a card based in part on an
iterative process, which allows for the local authorization
routine to be invoked, at a minimum, on the first pass and
subsequently at any successive pass up to the last pass…In a
first example the local authorization can be invoked on the
first pass…In a second example the local authorization flag may
be set for the second pass." Teicher discloses ("The card
payment unit 103 also comprises a transaction selector 1015
which selects automatically the proper transaction sequence")-
see col. 13 lines 29-41. Furthermore, Teicher discloses remote
authorization and local authorization performed dependant on
variables such as payment sum, balance in electronic purse,
spending limit allowed in electronic checkbook. It is obvious
from the system of Teicher that the transaction selector
determines the proper transaction sequence i.e., local
authorization requested before or after remote authorization

[first or second pass]. -see col. 13 lines 29-34; cols. 13-15;
Figs. 10A-B. Teicher do not explicitly disclose using a
counter, however, official notice is taken that it is old and
well known in the art of computer programming that counters are
frequently used. For example in object oriented computer
programming languages such as C++, and Java, the use of counters
is commonplace in keeping track of iterations in a "for" loop.
Therefore, it would have been obvious to one having ordinary
skill in the art at the time the invention was made to include
keeping track of iterations using a counter as is old and well
known in the art of computer programming in order to provide the
user with an effective way to control the execution of the
program such as in the use of loops.

    Re claim 7: Teicher discloses:

    wherein said plurality of card identification data includes
data from a smart card.-see col. 2 line 63-col. 3 line 15.

    Re claim 8: Teicher does not specifically disclose
determining if said card identification data is expired based on
date. Levasseur however, teaches determining if the credit card
presented at the card reader is currently valid, i.e.,
unexpired…-see col. 2 lines 41-67. It would have been obvious to
one having ordinary skill in the art at the time the invention

was made to modify Teicher to specifically disclose determining
if a credit is expired as taught by Levasseur in order to avoid
the risk of not receiving payment.

Re claim 9: Teicher discloses performing a remote
authorization test includes communicating with a remote location
to obtain authorization approval for transaction.-see col. 2
lines 53-63.

Re claims 10, 11: Teicher discloses communicating with a
remote location to obtain an authorization approval for said
cashless payment transaction ("An electronic checkbook-This is a
credit card…identifying a remote credit account and authorizing
transactions therefrom")-see col. 2 line 54-col. 3, Figs. 10A-
11C and related text. Teicher does not specifically disclose
wherein determining a card usage frequency of said plurality of
card identification data, wherein said card usage frequency is
the number of times said plurality of card identification data
has been presented for authorization in a predetermined time
period; and comparing said card usage frequency to a card usage
frequency limit. Levasseur however, discloses a system operable
to limit the number of transactions that are authorized for a
given credit card by comparing the number of transactions to a
limitation number-see col. 2 line 55-col. 3 line 5. It would
have been obvious to one having ordinary skill in the art at the

time the invention was made to modify Teicher to specifically

disclose limiting the number of transactions requiring

authorization in order to protect the consumer and merchant from

the fraudulent use of a credit card.

Re claim 12: Teicher discloses wherein a plurality of

local databases are resident at said audit-credit interactive

system-see Fig. 11A (1119) and related text.

Re claims 13,14: Teicher disclose wherein performing of

the test of said plurality of card identification data against

said plurality of local databases comprises determining if said

plurality of card identification data is include in plurality of

local databases, including a positive-database. -see cols. 14-

16; figs. 11A-C.

Re claim 16: Teicher discloses procedures for accounting

and reporting local and remote authorization requests including

adding said card identification data to said positive-database

when said cashless payment transaction authorization request is

approved-see col. 16 lines 32-39; also col. 2 line 53-col. 5,

cols. 14-16, and Figs. 10A-11C and related text. Teicher does

not disclose adding said card identification data to said

negative-database when said cashless payment transaction

authorization request is denied. Levasseur however, teaches

storage of information regarding invalid card in the invalid

card listing. –see col. 6 lines 44-48. It would have been

obvious to one having ordinary skill in the art at the time the

invention was made to modify Teicher to specifically disclose

storage of information regarding invalid card data in the

invalid card listing as taught by Levasseur in order to provide

the system with means for validating a card used in a

transaction.

Claim 17 has similar limitations found in claims 1 and 3

above, and therefore is rejected using the same art and

rationale.

Claim 18 has similar limitations found in claim 1 above and

is therefore rejected using the same art and rationale.

Furthermore, the applicant discloses the following on pg. 79 of

the specification: "In an exemplary embodiment system 500 can be

programmed to locally authorize a card based in part on an

iterative process, which allows for the local authorization

routine to be invoked, at a minimum, on the first pass and

subsequently at any successive pass up to the last pass…In a

first example the local authorization can be invoked on the

first pass…In a second example the local authorization flag may

be set for the second pass." Teicher discloses ("The card

payment unit 103 also comprises a transaction selector 1015

which selects automatically the proper <u>transaction sequence</u>")-

see col. 13 lines 29-41. Furthermore, Teicher discloses remote

authorization and local authorization performed dependant on

variables such as payment sum, balance in electronic purse,

spending limit allowed in electronic checkbook. It is obvious

from the system of Teicher that the transaction selector

determines the proper transaction sequence i.e., local

authorization requested before or after remote authorization

[first or second pass]. -see col. 13 lines 29-34; Fig. 10B

(1050); and setting a local authorization flag ("switch is

provided to direct the transaction either to the checkbook

payment unit 1019 as indicated by block 1048 or the purse

payment unit 1017 as indicated by block 1052. The switch

setting to C or P position…")-see col. 14 line 64 to col. 15

line 4.

   Re claim 19: Teicher discloses:

 wherein said plurality of card identification data includes data

 from a smart card.-see col. 2 line 63-col. 3 line 15.

   Re claim 23: Teicher discloses wherein performing at said

audit-credit-interactive system a local transaction

authorization test of said plurality of card identification data

includes communicating with said remote location to obtain an

authorization approval for said cashless payment transaction.

-see col. 2 line 49 to col. 3 line 28; cols. 12-15.

Claims 20,21,25 have similar limitations found in claims

3,4,12 above, and therefore are rejected by the same art and

rationale.

Claims 22,24,26,27,28 have similar limitations found in

claims 8,10,13,14,16 above, and therefore are rejected by the

same art and rationale.

Claims 29 and 30 have similar limitations found in claim 17

above, and therefore are rejected by the same art and rationale.

Re claims 31 & 32: Teicher discloses:

determining if said cashless payment transaction received an

authorization approval from the local transaction authorization

test for said plurality of card identification data;

communicating with said remote location to obtain a second

authorization approval from said remote location-see cols.2-5;

11-18.

Re claim 33: Teicher discloses batch processing-see col. 18 lines 12-20.

4. Claim 34 is rejected under 35 U.S.C. 103(a) as being unpatentable over Teicher in view of Levasseur as applied to claim 18 above and further in view of Muftic (US Patent No. 5,850,442).

Re claim 34: Teicher and Levasseur do not disclose processing said cashless payment transaction in an international currency of origin. Muftic, however teaches conducting a variety of common electronic business transactions over an extended network and ("In this case, the current value field contains a summation of all certificates, such as that shown in FIG. 1910 converted using conversion values from the nationality stated to a desired currency value.")-see col. 17 lines 4-7. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Teicher and Levasseur to include conversion of electronic money into a desired international currency as taught by Muftic in order for the user to gain a better understanding of expenses charged and reflected on the credit card statement.

5. Claim 35 is rejected under 35 U.S.C. 103(a) as being
unpatentable over Teicher in view of Levasseur as in claim 23
above and further in view of Boston (US Patent No. 4,812,628).

Re claim 35:   Teicher and Levasseur does not disclose
wherein said remote location is a credit bureau. Boston however,
teaches ("The issuer 2- may be a bank or other financial
institution. Often, the issuer will collect information from
the cardholder to make an evaluation and assign a credit limit
to the cardholder…")-see col. 4 lines 55-61 and col. 3 lines 24-
31. It would have been obvious to one having ordinary skill in
the art at the time the invention was made to modify Teicher and
Levasseur to include the requesting authorization of a
transaction at the issuer location (remote location) as taught
by Boston in order to reduce the risks associated with the
fraudulent use of the credit card or exceeding credit limits.

Response to Arguments

6. Applicant's arguments with respect to claims 1-35 have
been considered but are moot in view of the new ground(s) of
rejection.

Conclusion

7.   The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

U.S. PG. Pub. No. 2001/0037291 (Allen, II)-cited for its reference to an electronic payment interface including performing local and remote payment processing.

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL.** See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier
communications from the examiner should be directed to Elda
Milef whose telephone number is (571)272-8124. The examiner can
normally be reached on Monday -Thursday 8:30 am to 4:30pm.

If attempts to reach the examiner by telephone are
unsuccessful, the examiner's supervisor, Kambiz Abdi can be
reached on (571)272-6702. The fax phone number for the
organization where this application or proceeding is assigned is
571-273-8300.

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